

SWAP-FREE ACCOUNT ADDITIONAL TERMS AND CONDITIONS

Version: September 2018

These Swap-Free Account Additional Terms and Conditions (these **Swap-Free Account Terms**) will apply to you, and form part of the Agreement, if you open a Swap-Free Account with London Capital Group Limited ("LCG").

1. INTERPRETATION

- 1.1 Reference is made to the LCG Terms and Conditions (the **LCG Terms and Conditions**), as published on the website of London Capital Group from time to time.
- 1.2 All terms used and not defined in these Swap-Free Account Terms have the meaning given to the term in the LCG Terms and Conditions.
- 1.3 If there is any direct conflict between these Swap-Free Account Terms and another document forming part of the Agreement, these Swap-Free Account Terms will prevail in respect of the relevant subject matter only.
- 1.4 In these Swap-Free Account Terms, the following words and expressions have the following meanings:

"**Sharia**" means the principles, precepts and tenets of Islamic law.

"**Standard Account**" means an account that is not a Swap-Free Account or equivalent.

"**Swap-Free Account**" means an account that is a "swap-free account", as designated by us.

2. SWAP-FREE ACCOUNTS

- 2.1 If you are willing and able to comply with these Swap-Free Account Terms, you may request that we open a Swap-Free Account for you.
- 2.2 We are not obliged to open a Swap-Free Account for any applicant and may refuse any application for any reason (without providing a reason to the applicant).
- 2.3 We reserve the right to cease offering (and/or to close any existing) Swap-Free Accounts without notice to you.
- 2.4 We will not charge any interest or Overnight Financing costs in respect of a Swap-Free Account.
- 2.5 We will not pay any interest in respect of a Swap-Free Account and by requesting that we open a Swap-Free Account, you acknowledge that you are waiving any entitlement to interest in respect of such account.

- 2.6 Although it is our intention that Swap-Free Accounts be Sharia compliant, we make no warranty or representation (express or implied) in respect of whether or not any Swap-Free Account is Sharia compliant. You agree and acknowledge that different authorities take different views and that it is your responsibility to carry out your own analysis and investigations, consulting such advisers as you deem necessary, to determine if the Swap-Free Account, and the terms on which it is offered, conforms with Sharia principles and your corresponding requirements.

3. HOLDING CHARGES

Each Transaction that is held open across successive trading sessions will, after a certain number of days depending on the type of Transaction (which may, for the avoidance of doubt, be zero days), be subject to a holding charge on each occasion that it is kept open from one trading session to the next. The relevant Market Information with information on these charges can be found on our Website here: https://www.lcg.com/media/3349/lcg_swap-free-account-commissions.pdf

4. INDEMNITY

- 4.1 You will indemnify us and keep us indemnified on demand in respect of all losses which we suffer or incur as a result of you holding Transactions open across successive trading sessions. We may debit from your account or any other account in which you hold an interest any amounts required to satisfy such indemnity. To the extent that you do not hold sufficient amounts with us to satisfy such indemnity, you agree that an amount equal to the difference (which, for the avoidance of doubt, may be the full amount if we are unable to debit any amounts from your accounts) will be due and payable to us and you agree to pay an equal sum to us immediately on demand.

5. REPRESENTATIONS

- 5.1 Each time you enter into a Transaction you represent and warrant as follows:
- (i) you do not hold any Standard Accounts with LCG or any other company providing similar services to LCG; and
 - (ii) you have reviewed the terms of the Agreement, including these Swap-Free Account Terms, for the purpose of your compliance with Sharia principles and: (a) you are satisfied that the provisions of the Agreement and the Transactions contemplated by it do not contravene Sharia principles; and (b) you confirm that you do not have any objections, nor will you raise any objections as to matters of Sharia compliance in respect of or otherwise in relation to the provisions of the Agreement or any Transactions contemplated by it.

6. PROPER USE

- 6.1 You agree to use each Swap-Free Account in good faith and not to take unfair advantage of its nature or terms or to enter into strategies, including carry trade or arbitration strategies, intended to take advantage of the differences between Swap-Free Accounts and Standard Accounts.
- 6.2 If you carry out any of the behaviour prohibited by clause 6.1, or we have reasonable grounds to believe you have done so, it will constitute a breach of the Agreement and, in addition to our rights elsewhere in the Agreement, we may:
- (i) convert your Swap-Free Account to a Standard Account;
 - (ii) amend any relevant Transaction, so that it is as it would have been if the Order was executed in the absence of the improper behaviour;
 - (iii) enforce any relevant Transaction against you if it is a Transaction under which you have incurred a loss; and
 - (iv) treat any relevant Transaction as void if it is a Transaction under which you have secured a profit (and retain any such profit for our own account, subject to Applicable Law), unless and until you produce conclusive evidence within 6 months of the Transaction being closed that you have not, in fact, carried out the relevant behaviour in clause 6.1.
- 6.3 If we exercise any of our rights under clause 6.2, and if you have received any monies from us in connection with any associated Transactions, you agree that those monies are due and payable to us and you agree to immediately return an equal sum to us.

7. REJECTION OF INTEREST

- 7.1 Both parties recognise and agree that the principle of the payment of interest is repugnant to the Sharia and accordingly, to the extent that any legal system would (but for the provisions of this clause) impose (whether by contract or by statute) any obligation to pay interest, the parties hereby irrevocably and unconditionally expressly waive and reject any entitlement to recover interest from each other.